

Accompanying the twenty-eighth recommendation of the Department of Revenue (House, No. 228). Local Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT EXTENDING THE TERM OF CERTAIN TEMPORARY LOANS OF CITIES,
TOWNS AND DISTRICTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 17 of chapter 44 of the General Laws,
2 as appearing in the 1988 Official Edition, is hereby amended by
3 striking out the first sentence and inserting in place thereof the
4 following sentence: — If a city, town or district votes to issue
5 bonds, notes or certificates of indebtedness in accordance with
6 law, the officers authorized to issue the same may, in the name
7 of such city, town or district, make a temporary loan for a period
8 of not more than two years in anticipation of the money to be
9 derived from the sale of such bonds, notes or certificates of
10 indebtedness, and may issue notes therefor, but the time within
11 which such securities shall be due and payable shall not be
12 extended by reason of the making of such temporary loan beyond
13 the time fixed in the vote authorizing the issue of such bonds, notes
14 or certificates of indebtedness.

1 SECTION 2. Said chapter 44, as so appearing, is hereby
2 amended by striking out section 17A and inserting in place thereof
3 the following section: —

4 Section 17A. Subject to the provisions of this section, a city,
5 town or district may refund, by the issue of other notes, a
6 temporary loan issued under the authority of the first sentence
7 of section seventeen in anticipation of serial bonds, notes or
8 certificates of indebtedness; provided, that the period from the

9 date of issue of the original loan to the date of maturity of the
10 refunding loan shall not exceed two years, unless such temporary
11 loan is paid in part from revenue funds of the city, town or district
12 as provided for below and then the period from the date of issue
13 of the original loan to the date of maturity of the refunding loan
14 shall not exceed five years; and provided further, that the
15 remaining provisions of section seventeen shall apply to refunding
16 loan issued under this section, insofar as apt. A temporary loan
17 refunded under this section shall be paid in part from revenue
18 funds of the city, town or district at the time such temporary loan
19 is refunded by another temporary loan which maturity date is
20 greater than two years from the date of original issue. Additional
21 payments shall be required with each temporary loan which
22 maturity date exceeds another year from the original issue date
23 and at the time such loan is converted into a serial loan, such
24 payment being at least equal to the minimum annual payment
25 which would have been required if such temporary loan had been
26 converted to a serial loan prior to its refunding under this section
27 and the authorized amount of the serial loan shall be reduced by
28 the amount of such payment. A payment made by a city, town
29 or district as provided in the preceding sentence shall be reported
30 by the auditor or accountant or the city or town or other officer
31 having similar duties, or by the treasurer if there be no such officer,
32 to the assessors, who shall include the amount so reported in the
33 determination of the next annual tax rate, unless the city, town
34 or district has otherwise made provision therefor. The amount of
35 a payment made by a regional school district or regional refuse
36 disposal district as provided in the second sentence shall be
37 included in the next annual district operating and maintenance
38 budget, unless the regional district committee has otherwise made
39 provision therefor.